

### CONDOMINIUM PUBLIC REPORT

Prepared & issued by: Developer: Wailea Town Center Investors LLC  
Address: 5000 Quorum Drive, Suite 210, Dallas, Texas 75254

Project Name(\*): Wailea Town Center  
Address: Wailea Ike Place, Wailea, Kihei, Hawaii 96753

Registration No. 5275

Effective date: January 28, 2004

Expiration date: February 28, 2005

#### Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other governmental agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

**Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.**

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

#### Type of Report:

- ☒ **PRELIMINARY:**  
(yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.
- ☐ **FINAL:**  
(white) The developer has legally created a condominium and has filed complete information with the Commission.  
☒ No prior reports have been issued.  
☐ This report supersedes all prior public reports.  
☐ This report must be read together with \_\_\_\_\_
- ☐ **SUPPLEMENTARY:**  
(pink) This report updates information contained in the:  
☐ Preliminary Public Report dated: \_\_\_\_\_  
☐ Final Public Report dated: \_\_\_\_\_  
☐ Supplementary Public Report dated: \_\_\_\_\_
- And ☐ Supersedes all prior public reports.  
☐ Must be read together with \_\_\_\_\_  
☐ This report reactivates the \_\_\_\_\_  
public report(s) which expired on \_\_\_\_\_

(\*) Exactly as named in the Declaration

*This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.*

FORMRECO-30 286/986/189/1190/892/0198/0800/0203/0104

**Disclosure Abstract:**      Separate Disclosure Abstract on this condominium project:

☐ Required and attached to this report      ☒ Not Required-Disclosures covered in this report.

**Summary of Changes from Earlier Pubic Reports:**

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

☒ No prior reports have been issued by the developer.

☐ Changes made are as follows:

**SPECIAL ATTENTION**

This Public Report does not constitute an approval of the Project by the Real Estate Commission or any other government agency, nor does it ensure that all County codes, ordinances and subdivision have necessarily been complied with.

Facilities and improvements normally associated with County-approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owners and emergency traffic, drainage facilities, etc., may not be provided, and services such as County street maintenance and trash collection may not be available for interior roads and driveways.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

## TABLE OF CONTENTS

	Page
Preparation of this Report	1
Expiration Date of Reports	1
Type of Report	1
Disclosure Abstract	2
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information on Condominiums	4
Operation of the Condominium Project	4
 I. PERSONS CONNECTED WITH THE PROJECT	 5
Developer	5
Real Estate Broker	5
Escrow	5
General Contractor	5
Condominium Managing Agent	5
Attorney for Developer	5
 II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	 6
A. Declaration of Condominium Property Regime	6
B. Condominium Map (File Plan)	6
C. Bylaws of the Association of Apartment Owners	6
D. House Rules	7
E. Changes to Condominium Documents	7
 III. THE CONDOMINIUM PROJECT	 8
A. Interest to be Conveyed to Buyer	8
B. Underlying Land	9
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	13
E. Encumbrances Against Title	14
F. Construction Warranties	15
G. Status of Construction and Date of Completion or Estimated Date of Completion	16
H. Project Phases	16
 IV. CONDOMINIUM MANAGEMENT	 17
A. Management of the Common Elements	17
B. Estimate of Initial Maintenance Fees	17
C. Utility Charges for Apartments	17
 V. MISCELLANEOUS	 18
A. Sales Documents Filed with the Real Estate Commission	18
B. Buyer's Right to Cancel Sales Contract	18
C. Additional Information Not Covered Above	20
D. Signature of Developer	21
 EXHIBIT A: Description of Apartments, Common Elements & Limited Common Elements	 22
EXHIBIT B: Encumbrances Against Title	25
EXHIBIT C: Estimate of Initial Maintenance Fees	28
EXHIBIT D: Summary of Sales Contract	31
EXHIBIT E: Summary of Escrow Agreement	32

### **General Information On Condominiums**

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment: and (2) an undivided interest in the common elements.

"Common elements" are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

### **Operation of the Condominium Project**

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

# I. PERSONS CONNECTED WITH THE PROJECT

Developer: Wailea Town Center Investors LLC Phone: (972) 490-9190  
Name\* (Business)  
5000 Quorum Drive, Suite 210  
Dallas, Texas 75254  
Business Address

Name of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):

The members of Developer are two companies, both of which also act as co-managers:  
(1) Shea Wailea, LLC, an Arizona limited liability company, 890 E. Raintree #200, Scottsdale, Arizona 85260 (Its manager is Jonathan Vento); and (2) American Medical-Wailea Partners, Ltd., a Texas limited partnership, 5000 Quorum Drive, Dallas, Texas 75254 (Its manager is Jeffrey Jones). Jeffrey Jones has day-to-day managerial authority of Developer in connection with this project.

Real Estate Broker\*: The Gresham Company Inc. Phone: (808) 879-7283  
Name (Business)  
35 Halekua Street, Suite 201  
Kihei, Hawaii 96753-8100  
Business Address

Escrow: Old Republic Title & Escrow of Hawaii, Ltd. Phone: (808) 875-6950  
Name (Business)  
380 Huku Li'i Place, Suite 206  
Kihei, Hawaii 96753  
Business Address

General Contractor\*: Not yet engaged Phone: \_\_\_\_\_  
Name (Business)  
\_\_\_\_\_  
Business Address

Condominium Managing Agent\*: Not yet engaged Phone: \_\_\_\_\_  
Name (Business)  
\_\_\_\_\_  
Business Address

Attorney for Developer: Thomas D. Welch, Jr. Phone: (808) 871-8351  
Mancini, Welch & Geiger LLP (Business)  
Name  
33 Lono Avenue, Suite 470  
Kahului, Hawaii 96732  
Business Address

\* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

## II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

- A. **Declaration of Condominium Property Regime** contains a description of the land, buildings, apartments, common elements, limited common elements, common interest, and other information relating to the condominium project.

The Declaration for this condominium is:

☒ Proposed

☐ Recorded - Bureau of Conveyances: Document No. \_\_\_\_\_  
Book \_\_\_\_\_ Page \_\_\_\_\_

☐ Filed - Land Court Document No. \_\_\_\_\_

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]:

- B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

☒ Proposed

☐ Recorded - Bureau of Conveyances Condo Map No. \_\_\_\_\_

☐ Filed - Land Court Condo Map No. \_\_\_\_\_

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

- C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

☒ Proposed

☐ Recorded - Bureau of Conveyances: Document No. \_\_\_\_\_  
Book \_\_\_\_\_ Page \_\_\_\_\_

☐ Filed - Land Court: Document No. \_\_\_\_\_

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

- D. **House Rules.** The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the developer.

The House Rules for this condominium are:

☐ Proposed    ☐ Adopted                      ☒ Developer does not plan to adopt House Rules

E. **Changes to Condominium Documents**

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	_____	<u>Majority of Board of Directors</u>

\* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. **Developer:**

☐ No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House rules.

☒ Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules.

1. Developer has reserved the right to amend the Declaration and Condominium Map in any manner prior to the recording of the first apartment sale. After said recording, the Declarant may amend the Declaration and Condominium Map to satisfy the requirements of law, lenders, insurers or others provided that the design, size, location or common interest of any apartment shall not be materially changed without the consent of the owner thereof.
2. Developer has reserved to itself and to the owner(s) of abutting apartments the right to change the location of interior party perimeter walls between apartments, to subdivide any apartment into two (2) or more apartments, to merge abutting apartments into a single apartment, and to change the common interests appurtenant to each such apartment; provided that the common interests appurtenant to all of the apartments affected by such action shall, in the aggregate, remain unchanged.
3. The Developer has reserved the right to develop Phase 2 of the condominium by adding up to twenty-five (25) residential and commercial/office apartments in two (2) additional buildings located in "Phase 2" as shown on the Condominium Map. See Section H below.

### III. THE CONDOMINIUM PROJECT

#### A. Interest to be Conveyed to Buyer:

- ☒ Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.
- ☐ Leasehold or Sub-leasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

**Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for the lessee.**

Exhibit \_\_\_\_\_ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: \_\_\_\_\_ Rent Renegotiation Date(s): \_\_\_\_\_

Lease Rent Payable:     ☐ Monthly                     ☐ Quarterly  
                                 ☐ Semi-Annually             ☐ Annually

Exhibit \_\_\_\_ contains a schedule of the lease rent for each apartment per: ☐ Month ☐ Year

#### For Sub-leaseholds:

- ☐ Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:

☐ Canceled                     ☐ Foreclosed

- ☐ As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

- ☐ Individual Apartments in Fee Simple: Common Interest in the Underlying Land in Leasehold or Sub-leasehold:

**Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the buildings(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.**

Exhibit \_\_\_\_\_ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: \_\_\_\_\_ Rent Renegotiation Date(s): \_\_\_\_\_

Lease Rent Payable:     ☐ Monthly                     ☐ Quarterly  
                                 ☐ Semi-Annually             ☐ Annually

Exhibit \_\_\_\_ contains a schedule of the lease rent for each apartment per: ☐ Month ☐ Year



- ☒ Other: Note: The County has not approved the subdivision of the units and their limited common elements into individual subdivided lots. They are being sold as condominiums only.

#### **IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS**

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are the subject to renegotiation. Renegotiation may be based on a formula by arbitration set in the lease agreement by law or by agreement between the lessor and lessee. The renegotiated lease rents may

increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

#### **B. Underlying Land:**

Address: Wailea Ike Place  
Wailea, Kihei, Hawaii 96753

Tax Map Key (TMK): (2) 2-8-1:103

☐ Address ☐ TMK is expected to change because N/A

Land Area: 4.159 ☐ square feet ☒ acre(s) Zoning: B-2

\* Under B-2 zoning, general commercial, business and residential uses are permitted on this property as set forth in Maui County Code Chapter 19.18.

Fee Owner: Wailea Town Center Investors LLC  
Name  
5000 Quorum Drive, Suite 210  
Dallas, Texas 75254  
Address

Lessor: N/A  
Name  
-  
Address

C. **Buildings and Other Improvements:**

1. ☒ New Building(s)  
☐ Conversion of Existing Building(s)  
☐ Both New Building(s) and Conversion

2. Number of Buildings: 2 Floors Per Building One

☒ Exhibit A contains further explanations.

3. Principal Construction Material:

☒ Concrete ☐ Hollow Tile ☒ Wood  
☒ Other metal, masonry, glass and related materials

4. Uses Permitted by Zoning:

	<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>	
<input type="checkbox"/> Residential	<u>0</u>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input checked="" type="checkbox"/> Commercial	<u>11</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	<u>0</u>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Hotel	<u>0</u>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Timeshare	<u>0</u>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Ohana	<u>0</u>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Industrial	<u>0</u>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Agricultural	<u>0</u>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Recreational	<u>0</u>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> Other:	<u>0</u>	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?

☒ Yes ☐ No

5. Special Use Restrictions:

The Declaration and Bylaws may contain restrictions on the use and occupancy of the apartments. Restrictions for this condominium project include but are not limited to:

☐ Pets: \_\_\_\_\_

☐ Number of Occupants: \_\_\_\_\_

☒ Other: The Declaration contains restrictions on use, storage and production of hazardous materials, industrial liquids and emissions, and requirements for design approval for all signs and alterations to the building.

☐ There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: \_\_\_\_\_ Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
A-1	1	_____	_____	1,141	open bay
A-2	1	_____	_____	1,141	open bay
A-3	1	_____	_____	1,531	open bay
A-4	1	_____	_____	1,348	open bay
A-5	1	_____	_____	1,734	open bay
A-6	1	_____	_____	3,511	open bay
A-7	1	_____	_____	1,391	open bay
B-1	1	_____	_____	1,921	open bay
B-2	1	_____	_____	4,271	open bay
B-3	1	_____	_____	2,345	open bay
B-4	1	_____	_____	1,658	open bay

Total Number of Apartments: 11 (See Exhibit A)

**\*Net Living Area is the floor area at the apartment measured from the interior surface of the apartment perimeter walls.**

**Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.**

Boundaries of Each Apartment:

Interior undecorated surfaces of perimeter, perimeter walls, the interior half of all party walls, lower limit of concrete floor slab, lower unfinished surfaces of roof: Interior structural elements of each building located within each apartment are common elements.

Permitted Alterations to Apartments: Apartments are sold as open bays. Owners may make interior alterations, provided that building structure shall not be affected.

Apartments Designated for Owner-Occupants Only: N/A

Fifty percent (50%) of **residential** apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has NOT elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls: 95 \*

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Assigned (for each unit)	_____	_____	_____	_____	_____	_____	_____
Guest	_____	_____	_____	_____	_____	_____	_____
*Unassigned	_____	<u>95</u>	_____	_____	_____	_____	_____
Extra for Purchase	_____	_____	_____	_____	_____	_____	_____
Other: <u>Handicap</u>	_____	_____	_____	_____	_____	_____	_____
Total Covered & Open:	_____	_____	_____	_____	_____	_____	_____

\*No parking stalls shall be assigned to individual apartments. All parking areas shall be common elements under the management and control of the Association of Apartment Owners.

☐ Commercial parking garage permitted in condominium project.

☒ Exhibit A contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

☐ There are no recreational or common facilities.

☐ Swimming pool ☐ Storage Area ☐ Recreation Area

☐ Laundry Area ☐ Tennis Court ☐ Trash Chute/Enclosure(s)

☒ Other: Parking areas, driveway, courtyard, loading areas and landscaping

9. Compliance With Building Code and Municipal Regulations: Cost to Cure Violations

☒ There are no violations. ☐ Violations will not be cured.

☐ Violations and cost to cure are listed below: ☐ Violations will be cured by \_\_\_\_\_.  
(Date)

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations. (For conversions of residential apartments in existence for at least five years):

N/A

11. Conformance to Present Zoning Code.

a. ☒ [ X ] No variances to zoning code have been granted.

☐ [ ] Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming Illegal</u>	
Uses	<u>all</u>	<u>                    </u>	<u>                    </u>
Structures	<u>all</u>	<u>                    </u>	<u>                    </u>
Lot	<u>yes</u>	<u>                    </u>	<u>                    </u>

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest:

1. Common Elements: Common Elements are those parts of the condominium project other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

☒ [ X ] described in Exhibit   A  .

☐ [ ] as follows:

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

☐ There are no limited common elements in this project.

☒ The limited common elements and the apartments which use them, as described in the Declaration, are:

☒ described in Exhibit A.

☐ as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

☐ described in Exhibit \_\_\_\_\_.

☒ as follows: The common interests are determined according to the proportionate net floor area of each apartment, as follows:

<u>Apartment</u>	<u>Net Floor Area</u>	<u>Common Interest (%)</u>
A-1	<u>1,141</u>	<u>5.1883</u>
A-2	<u>1,141</u>	<u>5.1883</u>
A-3	<u>1,531</u>	<u>6.9616</u>
A-4	<u>1,348</u>	<u>6.1295</u>
A-5	<u>1,734</u>	<u>7.8847</u>
A-6	<u>3,511</u>	<u>15.9649</u>
A-7	<u>1,391</u>	<u>6.3250</u>
B-1	<u>1,921</u>	<u>8.7350</u>
B-2	<u>4,271</u>	<u>19.4207</u>
B-3	<u>2,345</u>	<u>10.6630</u>
B-4	<u>1,658</u>	<u>7.5390</u>
Total	<u>21,992</u>	<u>100.0000</u>

- E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit B describes the encumbrances against the title contained in the title report dated December 15, 2003 and issued by Old Republic Title & Escrow of Hawaii, Ltd.

**Blanket Liens:**

A blanket lien is an encumbrance (such as mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[ ] There are no blanket liens affecting title to the individual apartments.

[X] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed <b>Prior to Conveyance</b></u>
Mortgage dated July 29, 2003, recorded as Land Court Document No. 2970278, in favor of South Maui Business Park Partners, in the principal amount of \$1,400,000	<p>Buyer may lose his or her unit but buyer's deposit to be refunded less any escrow cancellation fees.</p> <p>All mortgage liens will be paid out of the proceeds of the sale of each apartment and each apartment will be released from the mortgage at that time.</p>

F. **Construction Warranties:**

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements:

Each apartment buyer shall receive from the general contractor the customary one-year warranty against defects in workmanship and materials in said apartment for a period of one year from the date of substantial completion of the building in which said apartment is located.

2. Appliances:

There are no appliances and therefore no warranties.

G. **Status of Construction and Date of Completion or Estimated Date of Completion:**

1. All apartments and common elements have not yet been built. Construction is estimated to start by February, 2004 and be completed by the end of January, 2005.
2. If and when Developer elects to proceed with Phase 2, containing up to twenty-five (25) residential and commercial/office apartments, estimated construction time will be approximately twelve (12) months from start of construction.

H. **Project Phases:**

The developer [ X ] has [ ] has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

The Developer has reserved the right to expand the condominium by developing two (2) additional buildings within the area shown as "Phase 2" on the Condominium Map, to contain up to twenty-five (25) residential and commercial/office apartments together with appurtenant parking, landscaping, utilities and other appurtenances. To implement this phase, the Developer has reserved the right to amend the Condominium Declaration and Bylaws to (a) add the new apartments to the condominium together with their buildings, parking areas and land area in Phase 2 as common elements; and (b) to define enclosed garages, swimming pool and other facilities as limited common elements appurtenant to and for the exclusive use of some or all apartments in Phase 2. As part of the amendment, Developer shall assign to each new Phase 2 apartment a common interest percentage, and will reduce the common interest percentages applicable to all apartments, so that upon said amendment becoming effective each existing and new apartment in the condominium will have a common interest percentage equal to a fraction, the numerator of which is the net floor area contained in said apartment and the denominator of which shall be the net floor areas of all apartments in the condominium. The Phase 2 apartments shall be members of the Wailea Town Center Association of Apartment Owners and the costs of, and management of, the maintenance, operation, repair and replacement of the Phase 2 buildings, parking areas, grounds and appurtenances shall be governed by said association as a common expense, except for the enclosed garages, swimming pool, and other facilities which may be designated as limited common elements appurtenant to those Phase 2 apartments which are residential. Developer may exercise this reserved right at any time prior to December 31, 2008.



#### IV. CONDOMINIUM MANAGEMENT

- A. **Management of the Common Elements:** The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.

**Initial Condominium Managing Agent:** When the developer or the developer's affiliate is the initial condominium managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial condominium managing agent for this project, named on page five (5) of this report, is:

☐ not affiliated with the Developer ☐ the Developer or the Developer's affiliate  
☐ self-managed by the Association of Apartment Owners ☒ Other: not yet selected

- B. **Estimate of Initial Maintenance Fees:**

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your apartment and the apartment may be sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

Exhibit C contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

- C. **Utility Charges for Apartments:**

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

☐ None ☒ Electricity (☒ Common Elements only ☐ Common Elements and Apartments)  
☐ Gas (☐ Common Elements only ☐ Common Elements & Apartments)  
☒ Water ☐ Sewer ☐ Television Cable  
☒ Other Refuse collection

## V. MISCELLANEOUS

### A. Sales Documents Filed With the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

☐ Notice to Owner Occupants

☒ Specimen Sales Contract

Exhibit   D   contains a summary of the pertinent provisions of the sales contract.

☒ Escrow Agreement dated December 20, 2003

Exhibit   E   contains a summary of the pertinent provisions of the escrow agreement.

☐ Other \_\_\_\_\_

### B. Buyer's Right to Cancel Sales Contract:

#### 1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report or Supplementary Report to a Final Report: Sales made by the developer are binding if:

- A) The Developer delivers to the buyer a copy of:
  - 1) Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; **AND**
  - 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
- B) The buyer is given an opportunity to read the report(s): **AND**
- C) One of the following has occurred:
  - 1) The buyer has signed a receipt for the report(s) and waived the right to cancel ; or
  - 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
  - 3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

- A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; **AND**
- B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

- A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
  - B) Declaration of Condominium Property Regime, as amended.
  - C) Bylaws of the Association of Apartment Owners, as amended.
  - D) House Rules, if any.
  - E) Condominium Map, as amended.
  - F) Escrow Agreement.
  - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
  - H) Other: (i) Amended and Restated Wailea Community Association Declaration of Covenants, Conditions and Restrictions dated July 13, 1998, filed as Land Court Document No. 2479882; (ii) Declaration dated December 22, 1986, filed as Land Court Document 1427924; (iii) Grants of Easements filed as Land Court Documents Nos. 1562570 and 1592058, and (iv) Unilateral Agreement and Declaration for Conditional Zoning filed as Land Court Document No. 2606718.
- 
- 
- 
- 

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: [www.capitol.hawaii.gov](http://www.capitol.hawaii.gov)  
Website to access unofficial copy of laws: [www.hawaii.gov/dcca/hrs](http://www.hawaii.gov/dcca/hrs)  
Website to access rules: [www.hawaii.gov/dcca/har](http://www.hawaii.gov/dcca/har)

This Public Report is a part of Registration No. 5275 filed with the Real Estate Commission on January 4, 2004.

Reproduction of Report. When reproduced, this report must be on:

☒ YELLOW paper stock      ☐ WHITE paper stock      ☐ PINK paper stock

C. **Additional Information Not Covered Above**

1. Water. The condominium is served by two (2) separate water meters, one for each building. Cost of water service to each apartment shall be assessed to each apartment by the Wailea Town Center Association of Apartment Owners based upon actual use as measured by submeters, or upon some other allocation method which shall be reasonably determined by the Board of Directors to be fair and equitable.
2. Sewer. The condominium shall be served by the County's public sewer system. Sewer fees shall be assessed with the water use charges discussed above.
3. Wailea Community Association. Wailea Town Center is a member of the Wailea Community Association. The owner(s) of each apartment shall be a member of the Wailea Community Association and be subject to the Wailea Community Association Declaration of Covenants, Conditions and Restrictions, dated December 19, 1986, as amended. This association was formed for the Wailea development as a whole for the purpose of holding, maintaining, operating and managing all of the common areas and facilities of the land. These consist of roadways, drainage areas and other common facilities.

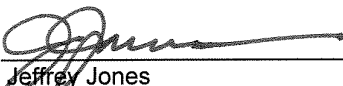
Each condominium owner will be a member of said Association along with all property owners in Wailea. Each owner will pay its share of Association assessments as administered by the Association and shall be subject to all applicable rules and regulations of said Association. IT IS RECOMMENDED THAT THE BUYER OBTAIN COPIES OF ALL ASSOCIATION DOCUMENTS AND LEARN ABOUT ASSOCIATION FINANCES, ASSESSMENTS AND PROCEEDINGS.

4. Road Maintenance Costs. Certain roadways providing access between the project and the government roads are held by A & B Wailea Inc. and administered by Wailea Community Association. The roadway maintenance costs are allocated and charged to all lots served by said roadways.
5. Special Management Area. The project is located within the Special Management Area (SMA). The Developer holds an SMA Permit for the project. Any additional or future construction or development on or changes to the site will be subject to SMA approval requirements.

- D. The developer declares subject to the penalties set forth in Section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

\_\_\_\_\_  
Wailea Town Center Investors LLC  
Printed Name of Developer

WAILEA TOWN CENTER INVESTORS LLC

By:   
Jeffrey Jones  
Its: Administrative Manager

Date: 12-29-03

Distribution:

Department of Finance, County of Maui  
Planning Department, County of Maui

**\*Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership (LLP) by the general partner; Limited Liability Company (LLC) by the manager or member; and for an individual by the individual.**

EXHIBIT A  
WAILEA TOWN CENTER CONDOMINIUM

DESCRIPTION OF BUILDINGS:

The project contains two (2) separate buildings, each with no basement. Each building is constructed primarily of concrete, masonry, metal, wood, glass and related materials.

DESCRIPTION OF APARTMENTS:

The project contains eleven (11) commercial apartments. Each ground floor apartment has immediate access to the driveway and parking areas of the project which in turn provides a driveway area providing egress and ingress to easements over Wailea Ike Place which in turn provides access to the public highway.

The floor areas of the apartments are as follows:

Apartment A-1:	1,141 square feet
Apartment A-2:	1,141 square feet
Apartment A-3:	1,531 square feet
Apartment A-4:	1,348 square feet
Apartment A-5:	1,734 square feet
Apartment A-6:	3,511 square feet
Apartment A-7:	1,391 square feet
Apartment B-1:	1,921 square feet
Apartment B-2:	4,271 square feet
Apartment B-3:	2,345 square feet
Apartment B-4:	1,658 square feet

Each apartment has a single open room or bay, and no interior partitions, drop ceilings or mezzanines. All interior improvements shall be the responsibility of each apartment owner.

LOCATION AND NUMBERING OF APARTMENTS AND BUILDINGS:

The apartments are located in two (2) buildings, designated Building A and Building B, lettered consecutively from south to north. Building A contains apartments numbered A-1 through A-7, consecutively from west to east. Building B contains apartments numbered B-1 through B-4, consecutively from west to east and north to south.

COMMON ELEMENTS:

The common elements and limited common elements of the condominium are defined in the body of the Declaration. The common elements include all buildings, land, water meters, parking areas, loading zones, landscaping, trash enclosures, utility rooms, underground drainage structures, above-ground structures and elements of the condominium which are not included within the definition of any apartment (subject to

the special uses of and other provisions relating to the limited common elements as defined in the body of the declaration), and within each building include all party and perimeter walls, all structural elements and all utilities serving more than one apartment.

The project has single water meters which (together with the water distribution lines providing service to each apartment) shall be a common element appurtenant to all apartments. All charges for water use and sewer fees which are charged to each building shall be allocated among and paid by the apartments in said building based on a fair and equitable method of allocation reasonably determined by the Board of Directors of the Association from time to time, including but not limited to submeters to measure water use by individual apartments.

#### LIMITED COMMON ELEMENTS:

Building Storefronts. Each apartment shall have the exterior surface of the perimeter wall fronting a public area as a limited common element appurtenant to said apartment. Said apartment shall have the right to alter and maintain said wall with appropriate signage, fenestration and entrance to serve as a commercial storefront to enhance the commercial attractiveness, operation and value of said apartment (collectively the "Alterations"). All plans for said Alterations must be reviewed and approved by the Design Review Committee of the Association and by the Wailea Community Association under Section 5A of the Declaration. The composition, authority and procedures of the Design Review Committee are set forth in Exhibit "C" of the Declaration. All Alterations shall be maintained in neat and attractive condition, subject to standards and the enforcement authority of the Design Review Committee of the Association and the Wailea Community Association.

#### PARKING:

There shall be no assigned parking. The Condominium Map shows certain areas of the parking area in which the length of time of parking shall be limited. Such limitations may be changed and requested by the Board of Directors of the Association from time to time, and enforced.

## EXHIBIT B

### ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes which may be due and owing. Reference is made to the Tax Assessor's Office, County of Maui.

2. Title to all minerals and metallic mines reserved to the State of Hawaii.

3. Easement for drainage purposes, but omitting any covenants or restrictions, if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, as contained in that certain Deed dated April 18, 1973, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 626880.

4. Easement "H" for roadway, telephone, electrical, gas line, sewer, waterline, cable television and other utility purposes, as shown on Maps 5 and 48, as set forth by Land Court Order No. 37357, filed April 27, 1973, as amended by Land Court Order No. 47774, filed July 26, 1977.

5. Access in favor of Lot 304 over said Easement "H", as set forth by Land Court Order No. 37357, filed April 27, 1973, as amended.

6. Access in favor of Lots 75, 76 and 77 over said Easement "H", as set forth by Land Court Order No. 45440, filed September 30, 1976.

7. Grant of Easement dated September 19, 1977, filed in the said Land Court as Land Court Document No. 875227, in favor of Maui Electric Company, Limited and GTE Hawaiian Telephone Company Incorporated, now known as Verizon Hawaii Inc., granting an easement over said Easement "H".

8. Easement "116" for utility purposes, as shown on Maps 21 and 48, as set forth by Land Court Order No. 50723, filed July 25, 1978.

9. Easement "117" for electrical, telephone and TV purposes, as shown on Maps 21 and 48, as set forth by Land Court Order No. 50723, filed July 25, 1978.

10. Declaration, but omitting any covenants or restrictions, if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, dated December 19, 1986, filed in the said Land Court as Land Court Document No. 1427923.

Said Declaration was amended by instruments dated September 2, 1994, filed as Land Court Document No. 2180541, and dated September 29, 1997, filed as Land Court Document No. 2408259.



Amended and Restated Wailea Community Association Declaration of Covenants, Conditions and Restrictions dated July 13, 1998, filed as Land Court Document No. 2479882.

11. Declaration, but omitting any covenants or restrictions, if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons, dated December 22, 1986, filed in the said Land Court as Land Court Document No. 1427924.

12. Grant of Easement dated May 23, 1988, filed in the said Land Court as Land Court Document No. 1562570, in favor of Maui Electric Company, Limited and GTE Hawaiian Telephone Company Incorporated, granting an easement over Easement "256".

13. Easement "315", as shown on Map 48, as set forth by Land Court Order No. 92501, filed February 1, 1989.

14. Grant of Easement dated October 14, 1988, filed in the said Land Court as Land Court Document No. 1592058, in favor of Grand Champions Villas Venture, a Hawaii general partnership, granting Easement "315".

15. That certain *Unilateral Agreement and Declaration for Conditional Zoning* dated February 7, 2000, filed in the said Land Court as Land Court Document No. 2606718, between South Maui Business Park Partners, a Hawaii partnership, "Declarant", and the County of Maui, "Council".

16. Encroachment as shown on survey map prepared by Erik S. Kaneshiro, Land Surveyor with Austin, Tsutsumi & Associates, Inc., dated May 29, 2003, as cited in Document dated July 28, 2000, filed in the said Land Court as Land Court Document No. 2970277, as a concrete headwall crosses the boundary line between Lots 339 and 336.

17. Mortgage made by the Developer herein in favor of South Maui Business Park Partners, a Hawaii limited partnership, dated July 29, 2003, filed in the said Land Court as Land Court Document No. 2970278.

END OF EXHIBIT B

EXHIBIT C

ESTIMATE OF INITIAL MAINTENANCE FEES  
AND  
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months = Yearly Total</u>
Apartment A-1	\$ 474.93 per month x 12 = \$ 5,699.14 per year
Apartment A-2	\$ 474.93 per month x 12 = \$ 5,699.14 per year
Apartment A-3	\$ 637.25 per month x 12 = \$ 7,647.04 per year
Apartment A-4	\$ 561.08 per month x 12 = \$ 6,733.02 per year
Apartment A-5	\$ 721.75 per month x 12 = \$ 8,661.03 per year
Apartment A-6	\$1,461.40 per month x 12 = \$17,536.82 per year
Apartment A-7	\$ 578.98 per month x 12 = \$ 6,947.76 per year
Apartment B-1	\$ 799.59 per month x 12 = \$ 9,595.06 per year
Apartment B-2	\$1,777.74 per month x 12 = \$21,332.88 per year
Apartment B-3	\$ 976.07 per month x 12 = \$11,712.89 per year
Apartment B-4	\$ 690.11 per month x 12 = \$ 8,281.30 per year

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

Estimate of Maintenance Fee Disbursements:Monthly x 12 months = Yearly Total

## Utilities and Services

Air Conditioning		
Electricity		
<input checked="" type="checkbox"/> common elements only	\$ 485.00	\$ 5,820.00
<input type="checkbox"/> common elements and apartments		
Elevator		
Gas		
<input type="checkbox"/> common elements only		
<input type="checkbox"/> common elements and apartments		
Refuse Collection	\$ 250.00	\$ 3,000.00
Telephone	\$ 23.00	\$ 276.00
Water		
for water service	\$ 470.50	\$ 5,646.00

## Maintenance, Repairs and Supplies

Buildings	\$1,651.00	\$19,810.00
Grounds	\$ 678.50	\$ 8,140.00
Water lines	\$ 100.00	\$ 1,200.00
Common Elements		

## Management

Management Fee	\$1,462.50	\$17,550.00
Payroll and Payroll Taxes		
Office Expenses		
Legal	\$ 292.50	\$ 3,510.00

Insurance (liability for common elements)	\$ 762.50	\$ 9,150.00
---	-----------	-------------

Reserves(*)	\$1,179.17	\$14,150.04
-------------	------------	-------------

Taxes and Government Assessments		
----------------------------------	--	--

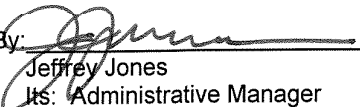
Audit Fees	\$1,166.67	\$14,000.04
------------	------------	-------------

Other: <b>Wailea Community Association Dues</b>	\$ 632.50	\$ 7,590.00
---	-----------	-------------

TOTAL	\$9,153.84/month x 12 = \$109,842.08/year	
-------	---	--

We, the undersigned condominium developers for the Wailea Town Center project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

WAILEA TOWN CENTER INVESTORS LLC

By:   
 Jeffrey Jones  
 Its: Administrative Manager

Date: 12-29-03

(\*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended. Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

(\*\*) This reserve amount is not based on a reserve study required by Hawaii law. The reserve study will be performed by the Association of Apartment Owners.

**ATTACHMENT 1 TO ESTIMATE OF  
MAINTENANCE FEE DISBURSEMENTS**

The Developer, in arriving at the figure for "Reserves" in the attached estimate, has not conducted a reserve study in accordance with HRS §514A-83.6 and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

## EXHIBIT D

### SUMMARY OF DEPOSIT RECEIPT AND SALES CONTRACT

The Deposit Receipt and Sales Contract contains the price and other terms and conditions under which a purchaser will agree to buy an apartment in the Project. Among other things, the Deposit Receipt and Sales Contract states:

(a) The total purchase price, method of payment and additional sums which must be paid in connection with the purchase of an apartment.

(b) That the purchaser acknowledges having received and read a public report (either preliminary or final) for the Project prior to signing the Deposit Receipt and Sales Contract.

(c) That the Developer makes no representations concerning rental of an apartment, income or profit from an apartment, or any other economic benefit to be derived from the purchase of an apartment.

(d) That the purchaser's money will be held in escrow, under the terms of the Escrow Agreement.

(e) Requirements relating to the purchaser's financing of the purchase of an apartment.

(f) That the apartment and the Project will be subject to various other legal documents which the purchaser should examine, and that the Developer may change these documents under certain circumstances.

(g) That the Developer makes no warranties regarding the apartment, the Project or anything installed or contained in the apartment or the Project.

(h) That the Project may be subject to ongoing sales activities which may result in certain annoyances to the purchaser.

(i) That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

The Deposit Receipt and Sales Contract contains various other important provisions relating to the purchase of an apartment in the Project. It is incumbent upon purchasers and prospective purchasers to read with care the specimen Deposit Receipt and Sales Contract on file with the Real Estate Commission.

## EXHIBIT E

### SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement sets up an arrangement under which the deposits a purchaser makes pursuant to a Sales Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement, these things will or may happen:

- (a) Escrow will let the purchaser know when payments are due.
- (b) Escrow will arrange for the purchaser to sign all necessary documents.
- (c) The purchaser will be entitled to a refund of his or her funds only under certain circumstances as set forth in the Sales Contract.

The Escrow Agreement also establishes the procedures for the retention and disbursement of a purchaser's funds and says what will happen to the funds upon a default under the Sales Contract. The Escrow Agreement contains various other important provisions and establishes certain charges with which a purchaser should be familiar. It is incumbent upon purchasers and prospective purchasers to read with care the executed Escrow Agreement on file with the Real Estate Commission.